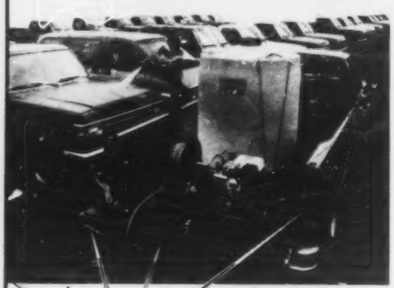
CLEAN CARS SELL
The fast, efficient way to improve the looks of your lot inventory.
SATISFIED DEALERS COAST TO COAST



"We are able to wash 175 to 200 cars and trucks per day with this unit. Our display cars get washed 3 to 4 times per week. One person does better quality and more work with this equipment than the three people that were replaced."
Ben F. Mynatt
Ben Mynatt Chevrolet
Concord, NC

- Wash 20-30 cars per hour.
- No chamoising necessary. Air dry.

Completely mobile.
S-BRITE™
Call toll free for information
1-800-SO-BRITE
(In Illinois)
1-800-542-5326
PURE WATER FOR SPOT-FREE RINSING

A great deal on deal jackets!
500 for only $49.95
Our standard 9" x 12" heavy duty manilla auto envelope. Available in Red, Blue, Green or Black.
Call now to order!
In CA (213) 387-7231
US (800) 422-3102
Offer Valid 8/1/88–9/30/88
Law Printing Company Inc
Specialized Printing For Automobile Dealers
170 S. Western Ave ■ Los Angeles, CA 90004
Distributor Inquiries Welcomed

Walker meets another challenge! When your project requires metal stampings, the fourslide process or springs, let our engineers' expertise work for you.

WALKER SPRING & STAMPING CORPORATION
14831 SPRING AVENUE • SANTA FE SPRINGS, CA 90670
(213) 802-2871 • FAX (213) 802-3105

SALES

Car sales climb 16% in mid-July

All 7 domestic makers report gains as total reaches 217,941

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

With weaker incentives in force and a healthy short-term economic outlook, all seven domestic carmakers reported strong mid-July car sales. July 11-20 deliveries rose 16.29 percent over the corresponding year-ago period.

U.S. carmakers reported sales of 217,941 cars in the mid-month period compared with 187,410 last year. Two years ago, 177,679 cars were sold in mid-July. However, there was one less selling day in the 1987 and 1986 periods.

This year's mid-July daily selling rate averaged 24,216 units, which was 790 more than last year's 23,426. There were nine selling days this year and eight in 1987.

Mid-month domestic deliveries recovered from the July 1-10 period when the daily selling rate averaged 20,301 based on sales of 142,110 cars.

Each of the U.S. Big 3 automakers sold 10 to 24 percent more domestic cars in the mid-month period than they did last year when incentive bonanzas abounded.

Ford Motor Co. sold 13,352 or 23.97 percent more domestic cars in the second 10 days of July than it did last year. Ford Division delivered 3,050 more Taurus models and 2,781 more Tempos in the period.

With the aid of cut-rate car loans, Chrysler Motors delivered nearly 6,000 more cars in mid-July this year for a sales gain of 19.76 percent. Inducements and a greater supply of cars helped Chrysler sell nearly four times as many Omni/Horizon models as it did last year.

DOMESTIC SALES

	July 11-20, 1988	July 11-20, 1987
Eagle	1,209	675
Chrysler	7,214	8,370
Plymouth	8,745	6,477
Dodge	12,788	8,515
Chrysler Motors	29,956	24,037
Ford	48,758	38,553
Mercury	15,342	13,246
Lincoln	4,939	3,895
Ford Motor Co.	69,039	55,696
Buick	14,539	14,370
Cadillac	8,164	5,759
Chevrolet	45,190	39,414
Oldsmobile	21,851	19,871
Pontiac	17,047	17,332
General Motors	106,791	96,746
Volkswagen		1,614
Honda	3,344	2,469
Nissan	3,376	2,984
Toyota	1,745	874
Mazda	690	—
U.S. Industry Total	217,941	187,410

General Motors sold 10.38 percent or 10,045 more cars in the July 11-20 period this year than it did a year ago. The recent infusion of dealer rebates at Cadillac helped increase deliveries by 41.76 percent. Eldorado sales rose 77 percent. Allante deliveries were up 111 percent to 173 units vs. 82 last year.

"The sales momentum this month has been sparked by Eldorado and our top-of the line Allante," Cadillac General Manager John O. Grettenberger, said. "The Allante has shown an upward sales trend for the third consecutive month."

Although his Eldorado and Allante sales are about even with year-ago deliveries, Ron Miller, owner of Miller Pontiac-Cadillac Corp., Rahway, N.J., said: "Generally, our sales are up. Our Sedan DeVille continues to be the best seller. It's about even with Fleetwood and Brougham."

Transplants Honda and Toyota had about the same numerical gain in U.S.-built car sales, but the percentages of increase were vastly different. Honda sold 875 more cars this year, up 16 percent. Toyota sold 871 more cars for a gain of 99.66 percent over last year.

New customer rebates that began July 6 helped Nissan's deliveries, which improved 13.14 percent or 392 units over the equivalent period in 1987. It was Nissan's first year-to-year increase since the May 1-10 period.

Mazda sold 690 units built at its Flat Rock, Mich., plant, up from 281 in the first 10 days of this month. At this time last year, Mazda was not producing cars in the United States.

Volkswagen, which permanently shut down its Westmoreland, Pa., plant July 21, stopped reporting sales of U.S.-built cars June 30. In 1987, the German company reported selling 1,614 U.S.-built cars in the July 11-20 period.

June car sales dip 9% in Canada

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Following a record-breaking May, Canadian car sales of 102,159 in June were down 8.9 percent from last year's 112,178.

Truck sales, while up 17 percent for the first half, were virtually unchanged for the month compared to June's results a year earlier.

General Motors and Ford posted almost identical June domestic-car sales losses with drops of 14.6 and 14.8 percent, respectively, while Chrysler managed a gain of 4.3 percent.

Importers suffered some significant sales losses when compared to the same period a year earlier. Jaguar had the largest decrease with sales down 45.8 percent from a year ago. Hyundai was next, down 36.7 percent. Others posting significant drops were Mazda, down 32.7 percent; Saab, down 22.2 percent; and Volkswagen, down 16.8 percent.

Suzuki led the import gainers with a 204.1 percent increase in sales over June 1987. Subaru was up 25.2 percent.

It is interesting to note that General Motors, thanks to its offshore partners, principally Suzuki, ranked third in import-car sales in June behind Toyota and Honda.

Volvo's sales of combined Canadian-built and imported cars dipped from 768 a year ago to 631 this June, a loss of 17.8 percent. That loss, however, was less than Volvo's six-month drop in sales of 27.8 percent, suggesting a possible turnaround in the company's fortunes.

In domestic truck sales, Chrysler was the big winner in June with a 32.0 percent gain, paced by its minivans.

Imported-truck sales softened significantly, with Toyota down 23.4 percent, Mazda down 22.9 percent and Nissan down 18.4 percent from a year ago. As in imported cars, however, Suzuki was up sharply. It gained 88.8 percent on a sales increase from 268 to 506.

CANADIAN CAR AND TRUCK SALES

	June 1988	June 1987	6 mos., 1988	6 mos., 1987
Domestic Cars				
General Motors	34,430	40,347	192,255	194,232
Ford	19,235	22,584	108,724	105,921
Chrysler	13,679	13,117	82,425	77,193
Honda	1,492	1,163	5,570	4,078
Volvo	294	219	1,158	1,192
Domestic car total	**69,139**	**77,410**	**390,132**	**382,616**
Import cars				
Toyota	7,674	7,884	35,725	33,805
Honda	5,943	5,554	32,294	33,953
General Motors	3,595	2,711	14,613	9,404
Volkswagen	3,428	4,120	19,373	28,057
Nissan	3,094	2,793	16,092	18,661
Hyundai	2,609	4,120	16,469	28,057
Mazda	1,743	2,592	15,505	13,355
Chrysler	952	707	4,386	5,481
Suzuki	815	268	3,947	1,211
Subaru	701	560	3,613	3,391
Ford	603	1,248	2,341	4,851
Mercedes-Benz	475	431	2,128	2,360
BMW	451	456	2,588	2,452
Volvo	337	549	1,868	3,026
Jaguar	173	319	1,185	1,275
Saab	130	167	736	901
Lada	94	75	563	446
Skoda	13	54	217	343
Import car total	**33,036**	**34,888**	**173,663**	**191,629**
TOTAL — ALL CARS	**102,159**	**112,178**	**563,795**	**573,645**
Domestic trucks (including vans)				
GM	15,458	17,452	91,135	83,227
Ford	15,377	15,537	79,358	74,280
Chrysler	11,140	8,438	61,600	39,630
Domestic truck total	**41,975**	**41,427**	**232,093**	**197,197**
Import trucks (including vans)				
Toyota	1,513	1,975	8,132	7,194
Nissan	1,144	1,402	7,228	8,751
Mazda	1,024	1,329	5,757	6,046
Suzuki	506	268	3,119	1,478
Chrysler	208	335	1,668	1,560
GM	152	13	875	241
Volkswagen	114	154	511	734
Lada	9	2	70	65
Import truck total	**4,767**	**5,478**	**27,368**	**26,069**
TOTAL — ALL TRUCKS	**46,682**	**46,905**	**259,453**	**223,258**
TOTAL — CARS, TRUCKS	**148,841**	**159,083**	**823,248**	**796,901**

AUCTION DATES

Chrysler Motors

Aug. 2 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Nashville Auto Auction, Nashville, Tenn.; Denver Auto Auction, Aurora, Colo.; Golden Gate Auto Auction, Fremont, Calif.; and South Seattle Auto Auction, Kent, Wash.

Aug. 3 — Butler Auto Auction, Gibsonia, Pa., and Minneapolis Auto Auction, Plymouth, Minn.

Aug. 4 — Big Sky Auto Auction Inc., Billings, Mont.; Aptco Auto Auction, Taylor, Mich.; Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Ark-La-Tex Auto Auction, Shreveport, La.

Aug. 5 — Manheim Auto Auction, Manheim, Pa., and Salt Lake Auto Auction, Salt Lake City

Ford Motor Co.

Aug. 3 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Newburgh Auto Auction Inc., Newburgh, N.Y.

Aug. 4 — Interstate Auto Auction, Mercer, Pa., and Nashville Auto Auction, Nashville

Aug. 9 — South Seattle Auto Auction, Kent, Wash.

Aug. 10 — Atlanta Auto Auction, Red Oak, Ga., and Wednesday Auto Auction, Obetz, Ohio

Aug. 11 — Dallas Auto Auction, Grand Prairie, Texas, and Minneapolis Auto Auction, Plymouth, Minn.

Aug. 16 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 17 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Lakeland Auto Auction, Lakeland, Fla.

Aug. 18 — Baltimore-Washington Auto Exchange, Baltimore; Denver Auto Auction, Aurora, Colo.; Texas Hobby Auto Auction, Houston; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Aug. 25 — Greater Chicago Auto Auction, Chicago, and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 30 — Bay Cities Auto Auction Inc., Hayward, Calif.

General Motors

Aug. 2 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

Aug. 3 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Aug. 4 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, St. Louis; and Utah Auto Auction, West Bountiful, Utah

Aug. 9 — Harrisonburg Auto Auction, Harrisonburg, Va.; Florida Auto Auction of Orlando, Ocoee, Fla.; A.D.E. of Birmingham, Moody, Ala.; and Manheim Auto Auction, Manheim, Pa.

Aug. 10 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

July 88	$5,956
Month ago	$6,045
Year ago	$6,030

Model Breakdown
Auction Averages

	JULY 1988	JUNE 1988	MAY 1988
1988	$11,437	$12,545	$12,495
1987	$8,271	$8,668	$8,661
1986	$6,792	$7,327	$7,400
1985	$5,796	$5,801	$5,711
1984	$4,380	$4,534	$4,525
1983	$3,749	$3,721	$3,776
1982	$2,458	$2,529	$2,475
1981	$1,935	$1,932	$1,983
Overall Average	$5,956	$5,855	$5,800

Connecticut auction joins Mercedes-Benz sales net

Mercedes-Benz Credit Corp. has picked Connecticut-based Southern Auto Auction as its regional merchandising center for the New England states and New York for disposal of its off-lease and repossessed vehicles.

Previously, the cars had been sold by the Manheim Auction in Pennsylvania, but Mercedes said that an accumulation of mature leases and repossessed vehicles created a need for a New England auction. Manheim continues to service Mercedes-Benz Credit Corp. for the Pennsylvania region.

"It is an additional auction to dispose of vehicles," said a Mercedes-Benz spokeswoman. "We have nine centers around the country that dispose of vehicles."

Auctions are scheduled whenever the company accumulates about 30 or more cars. The auctions are open only to Mercedes-Benz dealers.

Larry Tribble, owner of Southern Auto Auction, said he expects that number to climb to 50 cars a month.

Southern Auto auction has six lanes and parking for 3,000 vehicles on 40 acres.

Anglo names Barnes

Jim Barnes has been named to the newly created corporate position of chief auctioneer for Anglo American Auto Auctions.

AUCTION BRIEFS

CHARLES THOMAS

Barnes will work with the company's 20 vehicle auction facilities to assess auctioneering talent and direct training programs to enhance the company's auctioneering standards.

"The principal connection between the company and our clients is through our auctioneers, and it is logical that we should concentrate on that aspect of our business to ensure that we have the best available talent performing this vital function," said Michael J. Richardson, president and chief executive of Anglo American Auto Auctions.

Barnes has 15 years' auctioneering experience and has worked within the Anglo organization in sales and marketing as well as being a circuit auctioneer.

AUCTION DIRECTORY

TEXAS

DEALERS AUTO AUCTION OF DALLAS INVITES YOU TO PLEASE BE OUR GUEST AT OUR

manheim auctions

GRAND OPENING
TUESDAY, AUGUST 16, 1988
11:00 A.M. SHARP!

OUR COMMITMENT TO EXCELLENCE: We Care • SERVICE • PERFORMANCE • RESULTS

COME JOIN US FOR A FREE TEXAS STYLE BBQ

100 Plus from
Waldon Leasing's Isuzu Fleet
'88½ Cancellations
with MSO's
- Isuzu XS Sedans
- Isuzu XS 2-Drs
- Deluxe Isuzu Troopers
- LS Isuzu Troopers and more!!

PLUS

RENT A CAR EXTRAVAGANZA!
OVER 300 UNITS
from
HERTZ
AVIS
NATIONAL
BUDGET

300 Plus from
- Ford Motor Credit
- Citicorp Acceptance
- Wheel Lease
- Marine Midland
- Empire of America
- Co-America

100 Plus
- Low Mileage '88s
- Dodges
- Nissans
- Fords

Plus
More Bank Repos and Regular Dealer Consignment

For additional information, hotel accommodations at auction reduced rates, and/or free limo pick-up please call

DEALERS AUTO AUCTION OF DALLAS

2717 E. Main, Grand Prairie, TX 75050 • (214) 642-3900

KENTUCKY

CHRYSLER CREDIT REPO SALE
FIRST & THIRD THURSDAY OF EACH MONTH
11:00 A.M. SHARP
GREATER LEXINGTON AUTO AUCTION
672 Blue Sky Parkway, Lexington, KY 40509
I-75 Exit 104 East on Athens Boonesboro Rd. 1/4 Mile
Phone: 606-263-5163, FAX 606-263-5693

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

Buy all the cars you want in the back of Automotive News

EARNINGS

FROM PAGE 3

"We knew we were sacrificing short-term profits, but we did it to gain market share in this fiercely competitive environment," said Chrysler Chairman Lee A. Iacocca.

"We're going after a bigger base of loyal customers because that's what it takes to succeed over the long haul."

Iacocca said the strategy worked, and that Chrysler increased its U.S. market share more than Ford or GM.

"That's paid off for us in higher market share," he said, "but we're caught in a classic case of margin squeeze and we can't rely on that strategy forever."

The company also blamed higher raw material costs plus higher labor costs resulting from its new agreement with the UAW. In addition, Chrysler said first-half profits were reduced $150 million by plans to close certain Acustar manufacturing plants.

For the first six months of the year, Chrysler reported net income of $504.1 million ($2.27 a share) on sales of $16.16 billion, down from first-half earnings of $693.5 million ($3.22 a share) on sales of $12.44 billion in 1987.

At June 30, Chrysler's balance sheet showed net working capital — current assets less current liabilities — of $134.1 million, with cash reported at $340.4 million and marketable securities at $2.79 billion.

Worldwide factory sales of Chrysler vehicles totaled 707,593 in the second quarter, up 9.58 percent from the 645,717 reported by both Chrysler and AMC in the second quarter last year. First-half factory sales were up 3.33 percent to 1,341,885 from the combined Chrysler-AMC 1987 first-half total of 1,298,658.

Meanwhile, Chrysler Financial Corp. reported record earnings of $61 million, topping the previous record of $56 million set in the second quarter last year. First-half earnings of $126 million also were a record. The old record of $117 million also was set last year.

Ford Motor Co.

Ford reported record net income of $1.66 billion ($3.43 a share) on sales of $22.39 billion in the second quarter. One year earlier, Ford earned $1.50 billion ($2.90 a share) on sales of $19.50 billion.

For the first half of 1988, Ford reported net income of $3.29 billion ($6.74 a share) on sales of $43.13 billion. In the first half of 1987, its net income of $2.99 billion ($5.77 a share) came on sales of $37.64 billion.

The company said it earned a record $760 million outside the United States in the second quarter, a year-to-year improvement of $244 million.

"Our second-quarter earnings are a credit to the Ford team throughout the world," Chairman Donald E. Petersen and Vice Chairman Harold A. Poling said.

"The geographic diversity of our operations, as well as our many product and business lines, provided a broad base for our earnings," they said.

They said the biggest international gain was in European operations, which benefited from improved operating margins, higher industry volume and favorable changes in currency.

The company said that net income in the United States in the second quarter was $903 million, off $79 million from the same period of 1987.

"Continued improvements in car market share, industry volumes and manufacturing cost efficiencies, together with a lower tax rate, were more than offset by the higher cost of sales incentive programs, material and labor cost increases and costs to develop and introduce new products," the company said.

Ford said its Financial Services Group, which includes Ford Credit, First Nationwide, U.S. Leasing plus overseas credit affiliates, contributed 45 cents per share to earnings in the second quarter.

Ford Credit reported net income of $171.3 million in the second quarter, down from $192 million in the same period last year.

First-half Ford Credit net income was $371 million, off from $388.4 million last year. The company blamed the earnings decline on lower net interest margins and higher credit losses.

INDUSTRY PROFITS RISE

Second Quarter

(Dollars in Millions)	1988	1987	1988	1987
	Net Income		Sales	
AMC	—	$ 30.2	—	$ 1,178.8
Chrysler	$ 320.4	424.1	$ 8,451.9	6,412.2
Ford	1,662.8	1,498.2	22,388.8	19,496.1
GM	1,506.7	980.3*	29,894.8	26,699.8*
TOTAL	3,489.9	2,932.8	60,735.5	53,786.9

First Half

(Dollars in Millions)	1988	1987	1988	1987
	Net Income		Sales	
AMC	—	$ 53.7	—	$ 2,280.5
Chrysler	$ 504.1	693.5	$ 16,160.5	12,441.5
Ford	3,286.0	2,989.8	43,130.5	37,638.7
GM	2,598.8	1,902.8*	56,337.3	52,796.7*
TOTAL	6,388.9	5,639.8	115,628.3	105,157.4

*As originally reported

AMC results included in Chrysler for 1988

Europe proposes four-year freeze on Japanese imports

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Sales of Japanese cars in the European Economic Community would be capped at just over 9.5 percent of the market until 1993 — in essence a four-year import freeze — under a draft proposal being considered by the European Commission.

If adopted, existing bilateral restraints in several European countries on Japanese imports would be halted immediately.

The draft ties the Japanese to current import levels and is part of a broad group of auto industry proposals being formulated in advance of the planned 1992 unification of Europe's internal market.

The package includes restrictions on government aid to automakers. But it does not address a growing concern within the EC — the level of local content needed by transplant manufacturers to classify their vehicles as European-built.

The proposals are being prepared by three commission members with direct responsibility: Competition Commissioner Peter Sutherland, Industry Commissioner Karl-Heinz Narjes, and External Trade Commissioner Willy De Clerq.

The so-called auto industry "white paper" is due for formal consideration by the commission this fall. However, some observers in Brussels think the issue may be delayed until next year since Sutherland, Narjes and De Clerq are each expected to be replaced by their sponsor countries in January.

Varying forms of restrictions are currently imposed on the Japanese by France, Italy, Spain, the United Kingdom and Portugal. An immediate removal of restrictions could have a significant impact on the market picture in Europe.

For example, elimination of tight restrictions in Italy, where only 3,000 Japanese cars can be imported, could cut into Fiat's 60-percent hold on the domestic market. Fiat ranked No. 1 in European sales in the first half of 1988.

Removal of restrictions in France, where the Japanese are held to less than 2 percent, could affect Peugeot S.A. and Renault, which together account for about 65 percent of French sales.

Martin Parsons, a board member at Swiss-based Emil Frey Group, Toyota's French importer, said recently that Toyota sales in Japan could quickly increase from today's 20,000 to 100,000 if restrictions came off. That would hike the Japanese company's French share from under 1 percent to nearly 5 percent.

Analysts see further vulnerability for Fiat, Renault and Peugeot since most of their export sales go to European countries with Japanese restrictions.

"A controlled expansion of Japanese car sales in the four most restricted car markets (France, Italy, Spain and Portugal) could cost those manufacturers 240,000 units of lost production," according to a study on 1992 reforms to be released this week by the economic forecasting firm DRI-Europe.

A Fiat spokesman last week said the company remains confident it can combat the Japanese and noted that the Japanese presence in the Italian market is already much greater than the 2,548 passenger cars officially imported last year.

Accounting for both off-road vehicles not included in the bilateral agreement and gray-market imports from other EC countries, Japanese sales in Italy last year came to about 40,000 units, he said.

If frozen at current levels throughout the 12-nation bloc, Japanese volume would be held at just over one million units. Japanese manufacturers would have to agree with an EC-wide import ceiling and are expected to point out that last year no major European auto group operated in the red for the first time since the early 1970s.

Japan's Ministry for International Trade and Industry (MITI) recently announced that Common Market exports would be limited to 1.21 million cars and commercial vehicles in 1988, an increase of 3.5 percent over last year but a smaller rate of growth than in previous years.

DRI-Europe's report says that 1992 unification regulations won't have an extraordinary impact on overall Japanese volume in Europe.

"The unspoken bilateral negotiations and Japanese self-restraint must and will continue, not just in the transition phase up to the year 1992, but also afterwards," according to the report. "The number of Japanese cars sold in the EC will not change much. The questions are where they will be sold, how high their value is and who they will compete with."

The other major component of the EC draft is a tightening of restrictions on state aid, such as the British government's write-off of Rover Group debts to pave the way for sale of the state-owned company to British Aerospace.

The EC's proposal includes advance clearance of aid packages of a specified level — expected to be equal to about $10 million to $15 million — and denial of any form of operating aid.

Competition Commissioner Sutherland has been a stalwart of strict enforcement of government assistance to carmakers. Last year, the EC enforced the reduction of a regional aid package for a Daimler-Benz car assembly plant in West Germany and demanded a reduction in the United Kingdom's debt write-off for Leyland Vehicles during its acquisition of Daf Truck of the Netherlands. It is also investigating the price paid by Fiat in 1986 for then-government owned Alfa Romeo.

The commission has so far ruled out restrictions on minimum local content for cars assembled in the EC by Japanese or conceivably Korean companies — reportedly fearing conflicts with provisions of the General Agreement on Tariffs and Trade.

That issue has come to a head recently with French government resistance to the export of British-built Nissan Bluebirds to the European continent.

Nissan has said it will begin shipping Bluebird sedans from its plant in England in October. It expects to export 10,000 to the continent by the end of the year and 100,000 annually by 1992.

The dispute has pitted the British and French governments against one another. France contends that English-built Nissans should have at least 80 percent EC content to qualify as European-built and avoid its Japanese quota. Nissan claims 60-65 percent European content for the UK Bluebirds.

At present, European Community rules require only that the "last substantial manufacturing operation" be within the EC to qualify. The matter is being reviewed in Brussels, though officials have so far indicated that the English Bluebirds qualify for circulation within the community.

Both Renault and Peugeot strongly favor counting Nissans from Britain against the country's Japan-built limit.

LEMON LAW: *Conference of states developing model law*

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — John Woodcock, Connecticut state representative and "father" of its lemon laws, will lead the effort of the National Conference of State Legislatures to develop a model state lemon law.

Woodcock will be joined on the subcommittee by California Rep. Sally Tanner.

The conference decided to form the subcommittee last week during a meeting in Reno, Nev., that was attended by auto industry representatives.

Although the Motor Vehicle Manufacturers Association and the Automobile Importers of America have developed their own model lemon law, which they contend is pro-consumer, a number of consumer groups and state legislators claim it would take away consumer protection already found in some state laws.

Woodcock plans an open meeting at which auto representatives — both manufacturers and dealers — may be heard.

During the legislators' meeting in Reno, the Automotive Trade Association Executives gave Woodcock a letter stating their opposition to any federal pre-emption of state lemon laws and promising their help and cooperation to develop a model lemon law for states to adopt.

The trade association leaders also said they will file similar objections with the Federal Trade Commission over an industry petition asking for federal approval of arbitration programs that would pre-empt state lemon laws.

That petition was filed by MVMA (without General Motors' participation) and the Automobile Importers of America.

GM, also in a letter given to Woodcock, repeated its opposition to that petition, but also offered assistance to the National Conference of State Legislatures' draft of a model lemon law. The letter from David Collins of the GM general counsel's office asked that the private sector — not only car companies but state dealer associations — be allowed input.

He concluded that "it may be more realistic to create an exemplary procedure for generating a model change, than it is to expect a model bill to be produced under current time pressures."

PRODUCTION

Car output climbs over 4 million

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers built their four-millionth car of the year last Monday, 15 days behind 1987.

So far this year, 4,074,110 cars have been assembled, 5.77 percent below the 4,323,556 completed last year at this point.

Last week's scheduled car output of 76,751 dipped 12.84 percent from the prior week's 88,055 but rose 6.24 percent over the year-ago week's 72,245.

Ford Motor Co. out-built General Motors last week as several GM plants were idle for model changeover. Last week's targeted output was split this way: Ford, 50.33 percent; GM, 16.87 percent; Chrysler Motors, 10.42 percent; Honda of America Manufacturing Inc., 10.01 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 4.40 percent; New United Motor Manufacturing Inc., 4.23 percent; and Nissan Motor Manufacturing Co. U.S.A., 3.74 percent.

Truck production was scheduled at 67,000 units last week, 3.31 percent below the prior week's 69,291 and 6.08 percent below the year-ago week's 71,335.

Year-to-date, 2,403,453 trucks have been built, 8.11 percent more than the 2,223,177 assembled last year at this time.

The following GM plants remain idle for model changeover: Lansing, Mich.; Doraville, Ga.; Fairfax, Kan.; Orion Township, Mich.; Van Nuys, Calif.; Bowling Green, Ky.; and Framingham, Mass.

These GM facilities resumed output today: Janesville, Wis.; Linden, N.J.; Tarrytown, N.Y.; and Willow Run, Mich.

GM's Flint, Mich., and Wentzville, Mo., plants will resume output tomorrow.

Chrysler' Toledo, Ohio; Kenosha, Wis.; and Newark, Del., plants remain idle for model changeover.

Chrysler's Sterling Heights, Mich., and Belvidere, Ill., plants resumed production today after being closed for vacation and changeover.

Plants reopen; Canada rises

With several plants returning to work, last week's scheduled Canadian car and truck production increased over the total for the prior and year-ago weeks.

Output of 11,564 trucks was more than double the previous week's 5,118 and was 26.44 percent more than last year's 9,146.

Year-to-date, 532,150 units have been assembled, 10.58 percent more than the 481,230 completed last year at this time.

Automakers slated output of 9,155 cars last week, 68.17 percent more than the prior week's 5,444 and 18.14 percent more than the year-ago week's 7,749.

General Motors' Ste. Therese, Quebec; Oshawa, Ontario; and Scarborough, Ontario, plants remain idle for model changeover.

Chrysler's plant in Brampton, Ontario, and its two plants in Windsor, Ontario, resumed output last week.

Ford Motor Co. plants reopened last week after vacation.

U.S. CAR	Week Ended July 30, 1988	Week Ended Aug. 1, 1987	Week Ended July 23, 1988	July Est.	Jan. 1 to July 30, 1988	Jan. 1 to Aug. 1, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	0	0	0	3,415	53,889	32,997
Sundance	0	284	2,720	8,472	62,595	56,294
Reliant	2,200	2,026	2,240	8,390	56,421	64,258
Caravelle	0	0	0	0	9,087	30,019
Gran Fury	0	473	0	662	15,047	3,140
Total Plymouth	2,200	2,783	4,960	21,139	197,039	186,708
LeBaron K	0	958	0	0	7,912	43,810
LeBaron J	2,000	0	0	6,091	46,576	70,194
LeBaron GTS	0	120	259	864	5,716	23,809
N. Yorker E-Class	0	0	0	0	0	48,893
N. Yorker C-Class	0	0	0	2,604	63,233	0
Fifth Avenue	0	2,106	0	564	15,794	28,496
Total Chrysler	2,000	3,184	259	10,123	139,231	215,202
Omni	0	0	0	3,072	52,602	28,363
Daytona	2,000	0	0	6,060	45,821	33,909
Shadow	0	304	2,343	7,250	61,656	57,629
Aries	1,800	1,805	2,020	7,531	54,725	61,067
Dodge 600	0	0	0	0	8,549	26,922
Dynasty	0	0	0	2,230	59,366	0
Lancer	0	93	172	529	5,628	15,008
Diplomat	0	585	0	735	12,368	6,327
Total Dodge	3,800	2,787	4,535	27,407	300,715	229,225
CHRYSLER MOTORS	8,000	8,754	9,754	58,670	636,985	647,129
Escort	9,892	8,035	9,919	21,694	221,049	220,562
Mustang	5,132	3,929	4,093	10,109	118,865	126,534
Tempo	3,958	0	3,796	8,532	110,520	99,830
Taurus	7,779	8,247	8,839	18,578	229,674	247,997
Thunderbird	2,860	3,376	3,160	6,673	90,265	98,185
Total Ford Div.	29,621	23,587	29,809	65,587	770,373	793,108
Lynx	0	206	0	0	0	21,358
Topaz	1,561	0	1,543	3,407	41,556	32,858
Cougar	2,759	2,257	3,160	6,568	69,694	67,632
Sable	2,300	2,722	2,789	5,699	78,715	79,298
Total Mercury	6,620	5,185	7,492	15,674	189,804	221,148
Continental	796	0	428	1,374	24,940	9,610
Mark VII	395	623	215	683	13,607	15,422
Lincoln	1,191	3,110	645	2,278	77,425	77,703
Total Lincoln	2,382	3,733	1,288	4,335	115,972	102,735
Total L-M Division	9,002	8,918	8,780	20,009	305,776	323,881
FORD MOTOR CO.	38,623	32,505	38,589	85,595	1,076,149	1,116,989
Skyhawk	0	0	1	251	9,951	16,451
Skylark/Somerset	0	0	0	2,351	28,172	37,072
Century	0	0	0	4,921	64,323	103,225
Regal (rwd)	0	1,112	0	0	0	29,201
Riviera	0	0	0	74	3,642	8,501
Electra	0	0	1,496	5,414	51,299	53,545
LeSabre (fwd)	2,600	0	2,580	10,312	75,142	80,693
LeSabre (rwd)	140	100	174	695	6,135	5,726
Reatta	230	0	176	769	5,488	0
Total Buick	2,970	1,212	4,427	24,786	244,152	334,414
Cimmaron	0	0	0	0	3,693	7,489
Eldorado	0	0	0	542	23,410	12,720
Seville	0	0	0	355	14,488	10,534
Brougham (rwd)	168	546	318	1,244	18,281	38,660
Deville (fwd)	0	0	0	4,699	97,287	90,573
Allante	0	183	0	0	1,135	2,779
Total Cadillac	168	729	318	6,841	158,294	162,755
Cavalier	3,466	0	7,434	25,653	211,490	204,851
Camaro	0	2,301	2,370	7,895	54,287	70,230
Celebrity	270	0	0	7,997	106,298	192,484
Corsica/Beretta	0	7,669	0	18,731	231,977	179,170
Monte Carlo	0	912	0	0	0	41,538
Caprice	3,030	2,552	4,048	16,871	121,538	115,285
Corvette	440	420	448	1,780	12,768	18,047
Total Chevrolet	7,206	13,854	14,300	78,928	738,358	821,605
Calais	0	0	0	4,420	65,250	69,547
Firenza	0	0	0	0	5,230	2,019
Cutlass Ciera	0	0	0	4,221	13,551	99,968
Cutlass Supreme	0	1,250	0	8,137	90,480	45,539
Toronado	0	0	0	210	10,209	10,127
88 (fwd)	0	0	344	6,597	90,024	107,448
88 (rwd)	108	0	105	477	7,146	10,656
Olds 98	0	0	101	2,536	45,125	37,869
Total Oldsmobile	108	1,250	550	26,597	327,015	391,767
Sunbird	1,772	0	1,873	7,321	63,018	60,295
Grand Am	0	0	0	9,874	138,332	149,576
Firebird	0	958	1,071	3,766	37,613	48,902
Grand Prix	0	0	0	6,281	71,916	0
Pontiac 6000	159	0	0	2,360	42,861	48,689
Bonneville	0	0	0	5,056	64,003	81,002
Safari/Parisienne	80	157	99	342	4,879	5,966
Fiero	488	0	499	1,578	12,097	20,689
Total Pontiac	2,499	1,115	3,542	36,577	434,719	415,119
GENERAL MOTORS	12,951	18,160	23,137	173,729	1,902,538	2,125,660
HONDA	7,680	6,194	7,316	23,625	211,518	196,506
Civic	2,337	1,966	2,339	7,477	58,767	65,174
Accord	5,343	4,228	4,977	16,148	152,751	131,332
MAZDA†	3,377	0	3,380	13,323	60,592	0
NISSAN	2,870	2,593	3,564	5,967	59,005	77,404
NUMMI	3,250	4,039	3,315	10,322	91,728	116,739
Corolla	1,200	909	1,183	3,747	33,633	24,349
Nova	2,050	3,130	2,132	6,575	58,095	92,390
VOLKSWAGEN	0	0	0	3,510	35,595	43,129
Golf/GTI	0	0	0	3,510	30,042	34,775
Jetta	0	0	0	0	5,553	8,354
Total Cars, U.S.	76,751	72,245	88,055	374,742	4,074,110	4,323,556
Total Cars, Canada	9,155	7,749	5,444	39,857	652,412	470,721
U.S., Canada Cars	85,906	79,994	93,499	414,599	4,726,522	4,794,277
U.S., Canada Cars and Trucks	164,470	160,475	167,908	687,750	7,662,125	7,498,684

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended July 30, 1988	Week Ended Aug. 1, 1987	Week Ended July 23, 1988	July Est.	Jan. 1 to July 30, 1988	Jan. 1 to Aug. 1, 1987
Eagle	0	—	0	0	0	—
Premier	0	—	0	3,457	38,984	—
CHRYSLER MOTORS	0	98	0	3,457	38,984	3,205
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,670	—	0	4,198	105,687	—
Topaz	1,226	—	0	1,488	37,676	—
Crown Victoria	1,254	—	2,011	3,722	75,205	—
Grand Marquis	1,606	—	2,200	4,271	75,670	—
FORD MOTOR CO.	7,756	5,456	4,211	13,679	294,236	289,361
Celebrity	0	—	0	1,344	12,971	—
Cutlass Ciera	0	—	0	8,608	155,154	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	928	29,675	—
Regal	0	—	0	7,774	94,638	—
GENERAL MOTORS	0	1,552	0	18,654	292,438	164,068
Civic	1,200	—	1,053	3,315	20,536	—
Accord	0	—	0	0	1,828	—
HONDA	1,200	418	1,053	3,315	22,364	7,670
VOLVO	199	225	180	753	4,388	6,417
Total Cars, Canada	9,155	7,749	5,444	39,857	652,412	470,721

U.S. TRUCK☆	Week Ended July 30, 1988	Week Ended Aug. 1, 1987	Week Ended July 23, 1988	July Est.	Jan. 1 to July 30, 1988	Jan. 1 to Aug. 1, 1987
Caravan	0	—	549	2,145	53,179	—
Dakota	0	—	0	2,044	61,653	—
Mini-Ram Van	0	—	93	334	8,589	—
Pickups	0	—	0	2,002	40,119	—
Total Dodge	0	4,089	642	6,525	163,540	141,731
Cherokee	0	—	3,065	11,267	105,621	—
Commanche	0	—	797	2,761	27,001	—
Grand Wagoneer	0	—	0	354	3,215	—
Pickups	0	—	0	0	0	—
Wagoneer	0	—	42	42	6,232	—
Total Jeep	0	4,761	3,904	14,424	147,069	127,626
Voyager	0	—	518	2,201	49,119	—
Total Plymouth	0	—	518	2,201	49,872	—
CHRYSLER MOTORS	0	8,850	5,064	23,150	367,745	269,357
Aerostar	3,216	—	1,540	4,756	113,889	—
Bronco	1,003	—	1,251	2,499	34,644	—
Bronco II	2,484	—	1,108	4,103	73,473	—
Econoline	2,881	—	3,823	7,640	136,729	—
Heavy trucks	1,699	—	1,511	3,210	38,270	—
Light trucks	10,188	—	10,227	22,491	287,198	—
Ranger	7,764	—	5,033	14,368	204,230	—
Total Ford Div.	29,235	28,294	24,493	59,067	888,433	867,502
FORD MOTOR CO.	29,235	28,294	24,493	59,067	888,433	867,502
Astro	3,298	—	4,155	14,855	103,512	—
Blazer	518	—	530	2,220	16,696	—
Mediums/Heavies	440	—	356	1,423	10,725	—
P-Model	938	—	994	3,847	24,294	—
Pickups	6,606	—	7,083	27,162	201,028	—
S-10	5,796	—	6,599	25,023	175,848	—
S-10 Blazer	3,335	—	3,114	13,362	99,886	—
Sportsvan/Van	2,276	—	2,305	8,828	54,347	—
Suburban	1,489	—	1,715	6,266	44,756	—
Total Chevrolet	24,696	19,138	26,851	102,987	731,092	690,403
Jimmy	148	—	191	525	4,743	—
Mediums/Heavies	660	—	695	2,917	23,387	—
P-Model	66	—	19	189	3,245	—
Pickups	2,138	—	2,254	8,642	62,411	—
S-15	1,177	—	1,279	4,974	39,689	—
S-15 Jimmy	865	—	823	3,534	25,913	—
Safari	824	—	991	3,717	26,345	—
Suburban	507	—	452	1,970	19,595	—
Vandura/Rally Vans	687	—	629	2,654	21,250	—
Total GMC	7,072	8,587	7,333	29,122	226,578	229,564
GENERAL MOTORS	31,768	27,725	34,184	132,109	957,670	919,967
NAVISTAR	1,857	1,643	1,630	3,786	49,136	41,684
NISSAN	1,390	2,073	1,170	2,813	58,519	47,957
AM GENERAL*	450	450	450	1,890	13,410	8,010
MISCELLANEOUS*	2,300	2,300	2,300	9,660	68,540	68,700
Total Trucks, U.S.	67,000	71,335	69,291	232,474	2,403,453	2,223,177

CANADIAN TRUCK	Week Ended July 30, 1988	Week Ended Aug. 1, 1987	Week Ended July 23, 1988	July Est.	Jan. 1 to July 30, 1988	Jan. 1 to Aug. 1, 1987
Caravan	263	—	29	3,631	79,743	—
Mini-Ram Van	19	—	3	319	7,872	—
Ram Wagon	443	—	3	890	13,847	—
Ram Van	1,252	—	6	3,138	36,496	—
Total Dodge	1,977	1,430	41	7,978	137,958	239,258
Voyager	262	—	13	3,305	72,595	—
Total Plymouth	262	—	13	3,305	72,595	—
Wrangler	759	—	13	1,759	27,660	—
Total Jeep	759	785	13	1,759	27,660	18,856
CHRYSLER MOTORS	2,998	2,215	67	13,041	238,213	258,114
FORD MTR. (lt. trks.)	3,496	3,171	0	4,105	95,005	87,075
Light trucks	3,330	—	3,600	13,303	91,999	—
Vans	0	—	0	2,606	35,105	—
Total Chevrolet	3,330	—	3,600	15,908	127,104	—
Light trucks	1,470	—	1,189	5,592	46,856	—
Vans	0	—	0	1,456	18,604	—
Total GMC	1,470	—	1,189	7,049	65,460	—
GENERAL MOTORS	4,800	3,540	4,789	22,957	192,564	130,721
NAVISTAR	270	220	262	573	6,368	5,320
Total Trks., Canada	11,564	9,146	5,118	40,677	532,150	481,230
U.S., Canada Trks.	78,564	80,481	74,409	273,151	2,935,603	2,704,407

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

8/10/88 C2700-1

Automotive News®

August 8, 1988

©Entire contents copyright 1988, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

63rd year—$55.00 per year, $1.50 per copy

Rail dispute has warning for autos

Just-in-time adds supply problems

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

As the nation's railroads downsize to become more competitive, an already downsized automotive industry could pay the price along its supply tracks.

That prospect came to light last week after a Chicago & North Western strike was triggered by the firing of almost half the railroad's brakemen. Congress and the president put out the brushfire — temporarily — but it brought into focus the vulnerability of downsized automakers now more dependent than ever on railroads and trucks for just-in-time component supplies.

And, if more of the nation's railroads try to match the Chicago & North Western's crew cutbacks, this could prove the first blow in a lengthy — and possibly harmful — labor-management conflict with the automotive industry suffering potentially strong reverberations.

With the automakers closely monitoring the situation, Congress put out last week's small brushfire by extending until Sept. 9 a cooling-off period and ending the brief Chicago & North Western walkout. President Reagan signed the legislation last Thursday.

The strike began when Chicago & North Western fired approximately 1,100 of its 2,600 brakemen. The move was part of the railroad's plan to cut freight crews to two, which would set an industry standard that most likely would be adopted by other railroads.

see RAILROAD, page 60

AUTOMOTIVE NEWS/JOE WILKENS

Stempel: GM warranties widen; suppliers must keep prices in check

GM tightens suppliers rein

Auto giant checks closely before granting price hike

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — General Motors' suppliers aren't being allowed to raise prices without their operations first going under powerful new GM microscopes.

It will only be after the supplier and GM squeeze the supplier's cost structure as tight as they can that prices will be allowed to move higher, said GM President Robert C. Stempel.

Stempel's remarks came at a University of Michigan seminar on automotive management here, and most in the audience were with supplier firms.

Stempel used an anecdote about one company that met a 30 percent higher material cost with a bottom-line effect of about 10 percent. The vendor told GM it needed to boost prices as a result.

"Working together, we found that one of the things driving the costs was transportation of the material and how it was being prepared," Stempel said. "Working together, we got at the root of the problem. It wasn't just the material in that case, it was some of the additional value-added work. We then agreed on a fair price."

Stempel said some commodity prices have been rising — copper, aluminum, steel and even steel scrap. He said GM's move to fewer suppliers has created higher volumes that offset higher prices.

"We've been making a market and, for many suppliers, that has provided a volume base. We think part of what we've been doing is coming off our bottom line. Part of what has been coming off our bottom line to keep that volume going needs to be shared with the supplier community," Stempel said.

He said many suppliers recognize the costs involved for the vehicle makers in keeping retail sales volume high.

Suppliers here said GM has not permitted materials cost pass-throughs in four years.

GM dealers hail change in warranty

By Edward Lapham and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors dealers praised the automaker's change in 1989 warranty coverage, saying it is a statement of the company's confidence in the quality of its products.

GM announced last week that its "Bumper to Bumper Plus" warranty program will cover everything but routine maintenance and tires for three years or 50,000 miles on most 1989 cars and trucks.

Exceptions are Cadillac models, which keep their four-year/50,000-mile coverage, and the Cadillac Allante with its seven-year/100,000-mile coverage.

Under the new program, GM will pay all warranty costs for the first year or first 12,000 miles, after which it will pay everything but a $100 deductible charged to the customer for each warranty claim.

The new warranty is broader in coverage but is for a shorter period of time than previous coverage. GM's previous six-year/60,000-mile coverage on the powertrain is eliminated for the 1989 model year.

Although most GM dealers contacted by Automotive News were enthusiastic about the new coverage, some expressed concern that competitors, particularly Chrysler Motors with its seven-year/70,000-mile coverage, will be perceived by the public as having a better offering

Chrysler sources said the company has discussed shorter but more comprehensive warranty coverage as part of its routine monitoring of developing market trends. The discussions were prompted by Chrysler market research indicating that customers increasingly prefer bumper-to-bumper coverage, sources said.

Nevertheless, GM's announcement seemed to take the competition by surprise. Also addressing the Traverse City, Mich., auto conference at which GM President Robert Stempel announced the new warranty were Bennett E. Bidwell, Chrysler Motors president of product and marketing, and Harold A. Poling, Ford Motor Co. vice chairman, both of whom said they were studying the move.

A Ford source said there were no immediate plans

see WARRANTY, page 63

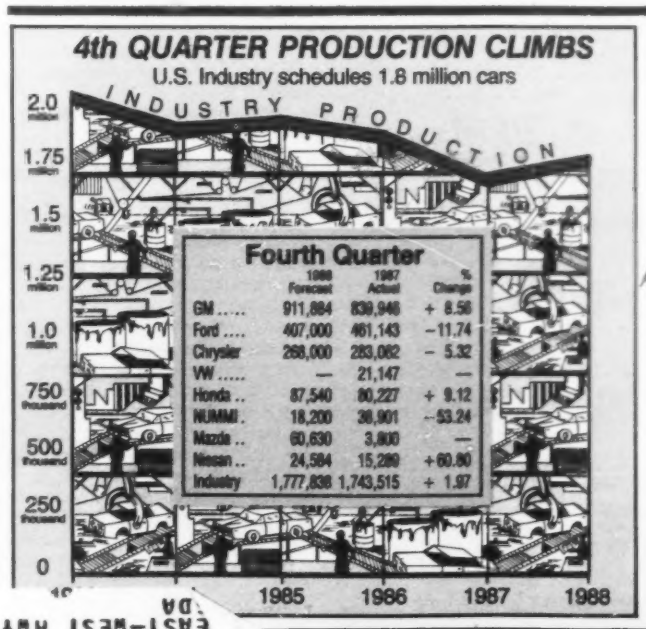
Big 3 petition for joint study of composites

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

General Motors, Ford Motor Co. and Chrysler Motors are asking the federal government to sanction a joint study of polymer-based composites for automotive uses without the threat of violating antitrust laws.

"There is not really a unified data base on composites," said Carl Johnson, principal research engineer for Ford. "We need to know what happens to composites in the environment. We have to crash them — there is just not enough known about them."

Industry sources have said for weeks that the Big 3 were planning their first jo



GM schedules output hike in fight for market share

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

General Motors plans an aggressive fourth-quarter production schedule, apparently in an effort to gain market share from its two domestic competitors, whose fourth-quarter schedules fall short of last year's because of extensive model changeovers.

According to the companies' forecasts, 1,777,838 cars are projected to be built in the United States during the fourth quarter, 1.97 percent more than the 1,743,515 built in the comparable period of 1987.

If carmakers stick to their latest production schedules for both the third and fourth quarters, the 1988 calendar year total should end up around 7,013,000 — slightly below last year's final count of 7,094,992 cars.

GM expects to build 911,884 cars in the fourth quarter, 8.56 percent more than the 839,946 assembled in last year's fourth quarter.

Auto analyst Mike Luckey of Luckey Consulting Group Inc., Cresskill, N.J., said he is just a bit concerned that sales may taper off a little in October and early November due to the anticipated industrywide 3- to 4-percent price increases, and that companies may try to launch their new models with very modest incentive support. Consumers may balk at the

see FORECAST, page 60

EDITOR SRI
PROFESSIONAL INFO SERV
EAST-WEST HWY STE8
MD 20814
03032290B 01AN008831 COMPYPZ
*****5-DIGIT 20814

IN... woes kill first car Page 2

TV strike won't dampen '89 intro Page 3

GM plans to combine advanced engineering Page 4